

Sheila Stoelle



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W-01303A-08-0227
SW-01303A-080227

From:

RTBNMBAZ@aol.com

Sent:

Thursday, January 08, 2009 1:06 PM

To: ORIGINAL
Gleason-WebEmail; Mayes-WebEmail; Mundell-Web; Hatch-WebEmail; Pierce-Web;
Newman-Web; Kennedy-Web; Stump-Web

Subject:

re: Docket No. W-01303A-08-0227

Dear Arizona Corporation Commissioners:

I am writing to voice my concerns about the proposed two separate reasons for significantly higher water bills for Tubac customers of Arizona American Water. The first involves their request for a rate increase of 72.7% and the second is a significant monthly increase to pay for an arsenic treatment facility estimated to cost \$2.3 million.

The Tubac customer base for Arizona American Water is small at 532 households. Either of these two increases by themselves would be a burden to customers and the two together will be devastating to many, especially those on fixed incomes.

Regarding the first issue, it makes sense that Arizona American Water be able to operate in the black and get a fair return on investment. I suggest that their operating expenses be carefully looked at to determine the following:

1. Their acquisition of the previous water company (Citizens Utilities) was made with a full understanding of infrastructure problems that needed to be corrected and not passed on post acquisition as an expense to the customer base.
2. Their administrative costs for employee health care, pension plans, etc., be spread out over their entire state wide customer base.
3. Their operating expenses for Tubac be compared to comparably sized water systems elsewhere.

The second issue regarding arsenic treatment needs an in-depth investigation of alternatives. Even though this is an EPA mandated requirement, based on the size of our customer base, a point of use solution with appropriate liability waivers could be justified. Obtaining federal funding for economic benefits to states could also be a possibility. The solution to the arsenic problem will require much needed creativity.

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